



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt  
Governor

Ted Stewart  
Executive Director

James W. Carter  
Division Director

355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
801-538-5340  
801-359-3940 (Fax)  
801-538-5319 (TDD)

M/003/025

March 6, 1996

William Bown  
Utah Building Stone  
842 West 400 North  
Bountiful, Utah 84087

Re: Status of Interim Bond, Utah Building Stone, Lynn Springs Quarry, M/003/025, Box Elder County, Utah

Dear Mr. Bown:

This letter is sent as a follow-up to our telephone conversation on March 5, 1996, and the verbal agreements reached at that time. We acknowledge and understand the difficulty that you are having in finding an acceptable surety company to post the required reclamation bond for the Lynn Springs Quarry. We wish to remain as flexible as we can in achieving a workable solution in this regard.

Due to the recent unforeseen circumstances involving your chosen banking institution, the Division will extend our March 6th deadline for obtaining the draft interim reclamation surety until Wednesday, March 13, 1996. It is our understanding that you will direct West One Bank (North Salt Lake Branch) to prepare a draft Irrevocable Letter of Credit (ILOC) which will be reviewed by our office and the U.S. Forest Service. We will advise West One Bank of any necessary changes so that this document can hopefully be finalized by March 15, 1996.

The Division is willing to reduce the interim surety amount to \$11,500.00 (Eleven thousand five hundred dollars). This amount is based on the U.S. Forest Service current reclamation surety calculations. We have adjusted it to include the existing surface disturbance associated with the BLM managed lands. The ILOC should be made jointly payable to the Utah State Division of Oil Gas and Mining and the U.S. Department of Agriculture, Forest Service. The Division will not require that the Reclamation Contract agreement (FORM MR-RC) be completed at this time. This document will not need to be submitted until the current Large Mining Operations Notice of Intention is determined technically complete and ready for final approval.

You agreed not to commence any additional mining activities at this site until the interim reclamation surety is in place. We will telefax a couple examples of approved ILOC's to Mr. Jack Posell of West One Bank by Monday, March 11th. He may use these documents to assist him in

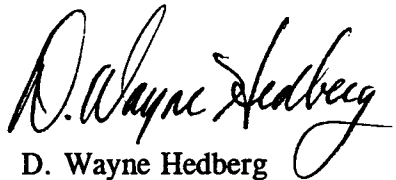


Page 2  
William Bown  
M/003/025  
March 6, 1996

preparing the draft ILOC for the Lynn Springs Quarry. Please be advised that some minor revisions/adjustments may ultimately be required to the ILOC, as we work out the *final* permitting details for this project.

We appreciate your willingness to work with us as we complete the permitting process for your Lynn Springs Quarry. As always, if you have any questions, please don't hesitate to give us a call.

Sincerely,

A handwritten signature in black ink, reading "D. Wayne Hedberg". The signature is fluid and cursive, with the first name "D." and last name "Hedberg" clearly legible.

D. Wayne Hedberg  
Permit Supervisor  
Minerals Regulatory Program

jb  
cc: Gordon Struthers, USFS  
Jack Posell, West One Bank (NSLB)  
S003025.int



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt  
Governor

Ted Stewart  
Executive Director

James W. Carter  
Division Director

355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
801-538-5340  
801-359-3940 (Fax)  
801-538-5319 (TDD)

m/003/025

FACSIMILE COVER SHEET

DATE: March 6, 1996

NUMBER OF PAGES INCLUDING THIS COVER SHEET: 3

TO: Wm Bawn  
Utah Building Stone  
842 W 1400 N  
West Bountiful UT 84087

FAX NUMBER: 295-0601

FROM: Wayne Hedberg  
Minerals Reclamation and Development Program

PHONE: (801) 538-5340

FAX: (801) 359-3940

SUBJECT: Status of Interim Bond m/003/025  
Lynn Springs

REMARKS: this letter and LOC form and some  
examples of LOC's were faxed to  
Jack Pasell - West One Bank today -  
hard copy of this letter will be mailed  
to you -

Should you encounter any problems with this copy, or do not receive all the pages, please call

Important: This message is intended for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone and return this original message to us at the above address via regular postal service. Thank you.



**From:** Lynn Kunzler  
**To:** minstaff  
**Date:** 3/1/96 11:21am  
**Subject:** Extention to File Bond, Lynn Springs Quarry, M/003/025

William Bown returned my calls today regarding the status of the interim reclamation Bond for the Lynn Springs Quarry. He has been in contact with West One Bank regarding the aquisition of a Letter of Credit. During our conversation, he requested an extention to filing the LOC until next wednesday, March 6, 1996. After talking with myself and Wayne Hedberg regarding the procedures for obtaining the LOC, the extention was granted. However, this was conditioned on either Mr. Bown or West One Bank contacting the Division with a draft LOC by Wednesday.

cc: Mine File M/003/025

**From:** Lynn Kunzler  
**To:** minstaff  
**Date:** 3/1/96 11:21am  
**Subject:** Extention to File Bond, Lynn Springs Quarry, M/003/025

William Bown returned my calls today regarding the status of the interim reclamation Bond for the Lynn Springs Quarry. He has been in contact with West One Bank regarding the aquisition of a Letter of Credit. During our conversation, he requested an extention to filing the LOC until next wednesday, March 6, 1996. After talking with myself and Wayne Hedberg regarding the procedures for obtaining the LOC, the extention was granted. However, this was conditioned on either Mr. Bown or West One Bank contacting the Division with a draft LOC by Wednesday.

cc: Mine File M/003/025